

Message Text

PAGE 01 MOSCOW 00005 261426Z

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C O N F I D E N T I A L SECTION 5 OF 8 MOSCOW 16363

STADIS/EYES ONLY////////////////////////////////////

38. AND WE WILL LAUNCH NEW PROGRAM AS WELL. TO REDUCE THE GREAT UNCERTAINTIES WHICH ANNUALLY PLAGUE BOTH PRODUCERS AND CONSUMERS, I AM PLEASED TO ANNOUNCE THAT OUR SPACE, AGRICULTURE AND WEATHER AGENCIES WILL TEST NEXT YEAR ADVANCED SATELLITE TECHNIQUES FOR SURVEYING AND FORECASTING IMPORTANT FOOD CROPS BEGINNING IN NORTH AMERICA AND THEN BROADENING IT TO OTHER AREAS. THE UNITED STATES WILL MAKE AVAILABLE THE RESULTS OF THIS POTENTIALLY VITAL STEP TOWARD RATIONAL PLANNING OF GLOBAL FOOD PRODUCTION.

39. A GRDAT DEAL OF CONCERN HAS BEEN EXPRESSED THROUGHOUT THE WORLD THAT POSSIBLE DETERIORATION IN CLIMATE MAY AFFECT MAN'S FUTURE ABILITY TO FEED HIMSELF. AT THE UN GENERAL ASSEMBLY SPECIAL SESSION I PROPOSED A MAJOR INTERNATIONAL STUDY OF THIS QUESTION--THAT STUDY IS NOW MOVING FORWARD. IN THE UNITED STATES WE HAVE BEGUN A SPECIFIC STUDY OF THE RELATIONSHIP BETWEEN CLIMATIC PATTERNS AND CROP YIELDS OVER A STATISTICALLY SIGNIFICANT PERIOD. WE ARE PREPARED TO SHARE THE TECHNIQUES AND APPROACHES WHICH WE HAVE DEVELOPED.

40. SECOND, TECHNICAL ASSISTANCE TO EXPAND PRODUCTION MUST INCLUDE ASSISTANCE AND ADVICE IN MANAGEMENT AND POLICY PLANNING. A REVOLUTION IN AGRICULTURAL POLICIES IN DEVELOPING COUNTRIES IS ESSENTIAL. IN FAR TOO MANY CASES, THE FARMER HAS NO INCENTIVE TO MAKE THE INVESTMENT REQUIRED FOR INCREASED PRODUCTION BECAUSE PRICES ARE SET AT UN-REMUNERATIVE LEVELS, BECAUSE CREDIT IS UNAVAILABLE, OR BECAUSE TRANSPORTATION AND DISTRIBUTION FACILITIES ARE
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PAGE 02 MOSCOW 00005 261426Z

INADEQUATE. DEVELOPING COUNTRIES MUST GIVE A HIGHER PRIORITY FOR FOOD PRODUCTION IN THEIR TAX, CREDIT AND INVESTMENT POLICIES, AND IN THEIR DEVELOPMENT BUDGETS. EXTERNAL ASSISTANCE MUST CONCENTRATE ON EXPANDED PRODUCTION

AT REASONABLE COST OF NECESSARY INPUTS LIKE FERTILIZERS AND PESTICIDES.

41. THIRD, INCREASED PRODUCTION WILL REQUIRE VASTLY INCREASED RESOURCES. WE CAN HOPE FOR TECHNOLOGICAL BREAKTHROUGHS, BUT WE CANNOT COUNT ON THEM. THERE IS NO SUBSTITUTE FOR NEW IRRIGATION SYSTEMS, STORAGE AND DISTRIBUTION SYSTEMS, PRODUCTION FACILITIES FOR FERTILIZER, PESTICIDE AND SEED, FOR AGRICULTURAL CREDIT INSTITUTIONS. MANY OF THESE INVESTMENTS MUST BE STIMULATED AND FINANCED AT HOME, BUT THE REQUIREMENTS FOR FOREIGN RESOURCES WILL ALSO RAPIDLY INCREASE.

42. TO TRANSLATE THIS NEW EMPHASIS TO A GLOBAL SCALE, THE UNITED STATES PROPOSES THE IMMEDIATE FORMATION OF A FOOD PRODUCTION AND INVESTMENT COORDINATING GROUP. WE MUST BRING TOGETHER REPRESENTATIVES FROM TRADITIONAL AND NEW DONORS, MULTILATERAL AGENCIES AND DEVELOPING COUNTRIES IN A COMMON EFFORT. WE PROPOSE THAT THE WORLD BANK JOIN WITH THE FAO AND UNDP TO CONVENE SUCH A GROUP THIS YEAR:

-- TO ASSURE THAT BILATERAL AND INTERNATIONAL ASSISTANCE PROGRAMS ARE CAPABLE OF PROVIDING THE REQUIRED EXTERNAL RESOURCES.

-- TO STIMULATE GREATER INTERNAL RESOURCES FOR AGRICULTURE AND TO ASSURE THE MORE EFFECTIVE USE OF THOSE RESOURCE BY FARMERS, SMALL AS WELL AS LARGE.

43. IN THE SAME SPIRIT, WE PROPOSE A REEXAMINATION OF DEVELOPMENT FUNDS NOW AVAILABLE TO THE UN SYSTEM, TO DETERMINE WHETHER EXISTING RESOURCES MIGHT BE REDEPLOYED TO MEET NEW PRIORITIES MORE EFFECTIVELY. I HAVE REQUESTED THE UNITED STATES DELEGATION TO THE GENERAL ASSEMBLY TO INTRODUCE A RESOLUTION FOR THIS PURPOSE.

44. THE UNITED STATES HAS LONG BEEN A MAJOR SOURCE OF FINANCING FOR AGRICULTURAL DEVELOPMENT, A ROLE WE INTEND TO CONFIDENTIAL

PAGE 03 MOSCOW 00005 261426Z

EXPAND. WE HAVE REORDERED OUR DEVELOPMENT ASSISTANCE PRIORITIES TO PLACE THE CENTRAL EMPHASIS ON FOOD AND NUTRITION PROGRAMS. WE PLAN TO AUGMENT SUCH PROGRAMS FROM 30-60 PERCENT OF OUR DEVELOPMENT ASSISTANCE AND WE HAVE REQUESTED AN INCREASE OF ALMOST \$400 MILLION FOR THEM IN OUR CURRENT BUDGET. THIS NEW EMPHASIS IN OUR OWN DEVELOPMENT ASSISTANCE WILL CONTINUE FOR AS LONG AS THE NEED EXISTS.

FOOD TRANSFERS

45. OUR NEXT GREAT TASK IN MEETING THE FOOD CRISIS IS THE DISTRIBUTION OF FOOD. EVEN WITH MAXIMUM RATES OF AGRICULTURAL GROWTH IN THE DEVELOPING COUNTRIES, THE FOOD

IMPORT REQUIREMENT IS LIKELY TO AMOUNT TO SOME 40 MILLION TONS A YEAR IN THE MID-1980'S, OR NEARLY TWICE WHAT THEY NOW IMPORT.

46. HOW IS THE COST OF THESE IMPORTS TO BE MET?

47. FIRST, EARNINGS OF THE DEVELOPING COUNTRIES MUST REMAIN THE PRINCIPAL WAY TO FINANCE THE LARGER PART OF THE FOOD DEFICIT. BUT WE CAN IMPROVE THE OPPORTUNITIES OF DEVELOPING COUNTRIES TO EARN MORE, BY IMPROVING MARKET ACCESS IN THE DEVELOPED WORLD FOR THEIR PRODUCTS. THE UNITED STATES RENEWS ITS COMMITMENT TO ACHIEVE GENERALIZED PREFERENCES FOR THE DEVELOPING COUNTRIES AND TO FOCUS ON THEIR SPECIAL NEEDS IN THE GATT NEGOTIATIONS.

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